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An Effect of Covid-19 Pandemics on Mobile Banking Services with Reference to Sangli City, Maharashtra

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Abstract:

Mobile banking services in COVID 19 pandemics plays an important role for the banking sector. Present study is based on the effect of COVID 19 on the mobile banking services with reference to Sangli city. A sample of 76 respondents from Sangli city, Maharashtra was analyzed. Majority of the respondents are graduate and post graduate and age between 20 to 30 years. The findings suggested that, majority of the respondents (75.98%) are very much satisfied with the mobile banking services provided by their respective nationalized and private sector banks. Further it is also observed that, in a pandemic situation banks were provided "good" services (43.42% response), better services (32.56% response), excellent services (21.38% response) and poor services (2.63% response). Perceived usefulness and perceived ease of use have a significant positive influence on the usage of mobile banking during COVID-19 pandemics. Based on the respondent's opinion the study presents some limitations and further scope for the research.

Keywords: COVID 19 pandemics, Cost of services, Mobile banking, Nationalized and Private sector banks, Security, Sangli.

1. Introduction:

COVID 19 has spread globally and affected by every sector. It is seen that today the way of business is suddenly changed. Information Technology (IT) played a vital role in changing business process. Every sector adopted online system for their businesses. Further it is seen that most of people has smart phone. Even education system adopted online mode for teaching learning. Banks have grown up with technology called mobile banking services that helps customers for online mode transactions. Every bank today have their own mobile app. COVID 19 forced customers towards use of online transaction using mobile. It provides almost all the services which are provided by the

physical bank. Banks provides these online services on the basis of 24 X 7 and 365 days. There is no geographical restrictions, so anywhere, anytime user gets banking services. Mobile banking wallets like Google pay, Phone pay, Paytm, Amazon pay, BHIM UPI, Freecharge, and individual banks mobile app are available for the banking transactions and which is promoted by RBI for using online transaction i.e. cashless transactions.

2. Review of literature

Reserve Bank of India (RBI) taking different actions to accelerate e-payment system. Various initiatives were undertaken by the department during the year in the payments ecosystem with continued emphasis on safety, security, efficiency, innovation, competition, customer protection and financial inclusion. The focus was to facilitate digital penetration by enhancing acceptance infrastructure across the country and introducing innovative payment options to deepen the reach of payment systems.

Efforts were also directed towards ensuring smooth functioning of all the payment systems notwithstanding disruptions in movement of resources and access to infrastructure caused by the COVID-19 lockdown with varying intensity and duration across various locations in the country. A few initiatives were customized keeping in view social distancing and minimal-contact requirements of the pandemic while making digital payments. The Reserve Bank undertook focused campaigns to improve consumer awareness on digital payments and put in place measures to ensure that the consumer grievances are addressed seamlessly in a time bound manner. The journey towards “less-cash” continued during the year with a rapid growth in digital payments observed with the gradual relaxation in lockdown imposed due to COVID-19.

The share of digital transactions in the total volume of non-cash retail payments increased to 98.5 per cent during 2020- 21, up from 97.0 per cent in the previous year

Payment system Indicators- annual Turnover (Value in Crore)

Item	2018-19	2019-20	2020-21
IMPS	15,90,257	23,37,541	29,41,500
NEFT	2,27,93,608	2,29,45,580	2,51,30,910
UPI	8,76,971	21,31,730	41,03,658
BHIM Aadhaar Pay	815	1,303	2,580

Table 1.1

The usage of IMPS, NEFT, UPI and BHIM Aadhaar pay in the year 2018-19, 2019-20 and 2020-21 is graphically shown as below.

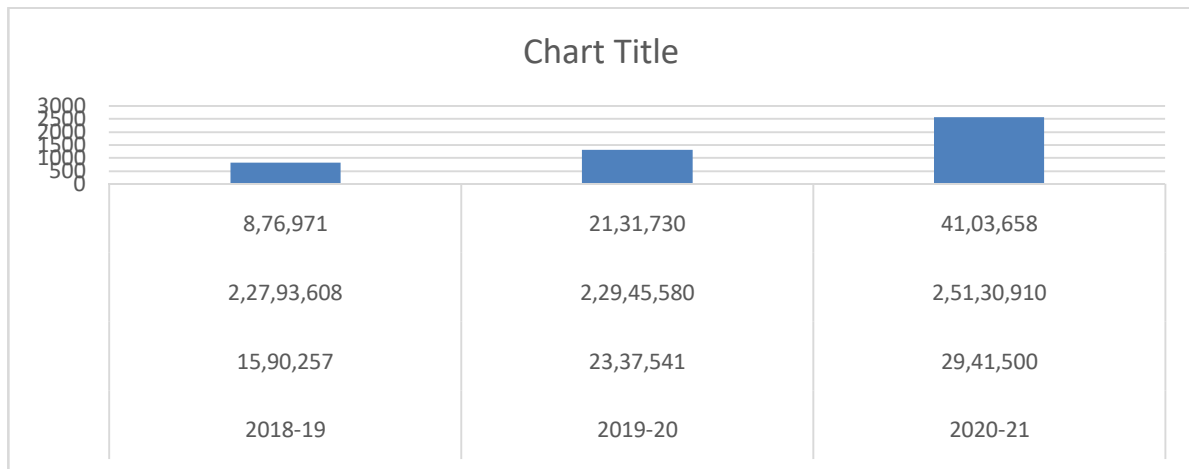


Chart 1.1

From the above it is observed that, year to year digital transactions are increasing. It shows that number of users are preferring e-banking, online, payment, mobile banking, in their day to day life.

(Source: <https://rbi.org.in/Scripts/AnnualReportPublications.aspx?Id=1322>, RBI, Annual Report May 27, 2021)^[1]

Ms. Tammana Muzawar (2020), studied impact of Covid19 on Mobile Banking services with special reference to the state of Goa observed that, the impact of Covid-19 on Mobile Banking and the study revealed that most of the people are using mobile banking services as it is cleared that since time saving, cost effective, reliable and easy to use than conventional banking, timely update and maintenance of records due to Covid-19 crisis, provides contactless payment as it does not involve handling paper money, Mobile Banking has fulfilled expectations than Conventional Banking during Corona virus pandemic and are more flexible and convenient than physical banking during Covid-19 pandemic and it provides opportunity. So it is concluded that there is impact of Covid-19 on Mobile Banking and further there is expansion in mobile banking services due to Covid-19 pandemic.

According to researcher - it is revealed that, Google pay, Paytm and Phone pay applications were mostly used by the mobile banking customers and customers outlook are moving from agree to strongly agree in the estimation of the mobile banking services^[2].

3. Objectives:

1. To identify usage of mobile banking services in COVID-19 pandemics.
2. To study the mobile services in terms of time, cost, security provided by respective banks.

4. Research Methodology:

Questionnaire is prepared and distributed online via google form. Stratified random sampling method is adopted for collecting responses from mobile banking users. Data is presented in tabular format and charts are prepared for study purpose using Excel. 76 respondents are randomly selected from age group of 20 to 30 years for study purpose.

5. Findings:

Responses collected from google form are analyzed in tabular form as below-

5.1 Gender wise respondents-

Sr.No	Male	Female	Total
1	25	51	76

Among the total respondents 32.98 % are male and 67.10% are female respondents.

5.2 Qualification- Majority respondents are post graduate (61.84%) and graduate (38.15%).

Sr.No	Below Graduate	Graduate	Post Graduate	Other	Total
1	0	29	47	0	76

5.3 Bank Account –Respondents having bank accounts in both National and Private sector banks, among these, 84.21% respondents having account in Nationalized banks, only 3.94% respondents having account in private sector bank and 11.84% respondents having accounts in both the banks.

Sr.No	National	Private	Both	Total
1	64	3	9	76

5.4 Mobile banking wallets using –Among the respondents, 52.63% respondents preferred to use Google pay wallets, 35.52% respondents uses Phone pay wallets, whereas other wallets usage is below 4%.

Sr.No	Paytm	Phone Pay	Google Pay	BHIM	Respective Bank App	Other	Total
1	2 (2.63%)	27 (35.52%)	40 (52.63%)	3 (3.94%)	2 (2.63%)	2 (2.63%)	76

5.5 Frequently usage of Mobile banking-It is observed that highest usage of mobile banking is for mobile recharge (82.89%) followed by online shopping (73.68%), education fee payment(67.10%) and least use for electricity, water bill and others.

Sr.No	Mobile Recharge	Water bill	Electricity bill	Online shopping	Education fee	Other
1	63 (82.89%)	14 (18.42%)	31 (40.78%)	56 (73.68%)	51 (67.10%)	12 (15.78%)

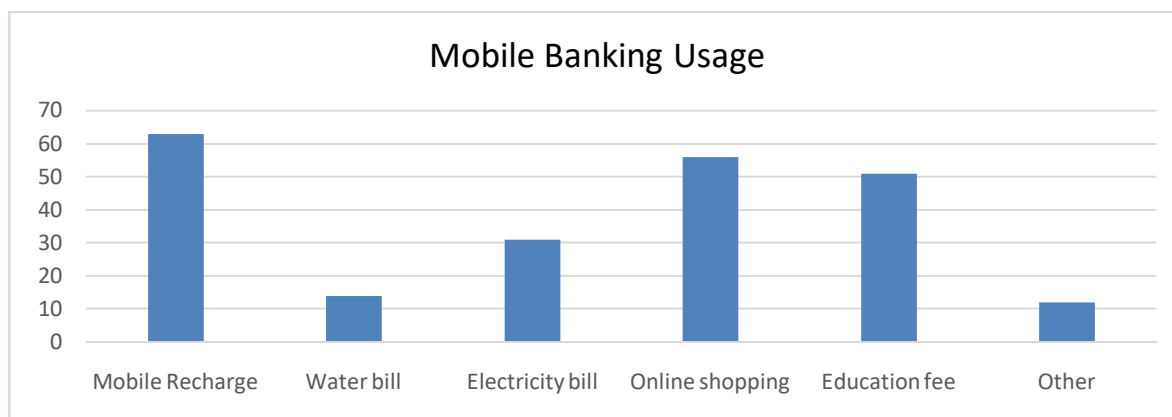


Chart 1.2

5.6 Opinion regarding mobile banking services-

Sr. No	Question	Yes	No	Total
1	Mobile banking payments gets opportunity of discount, cash backs, offers, coupons	67	9	76
2	Mobile banking is easy to use than other banking methods	75	1	76
3	Mobile banking is safe and secure banking	75	1	76
4	Mobile banking supports for all types of transactions	68	8	76
5	Mobile banking provides transparent services	68	8	76
6	Have you suffer from any malpractices, fraud, hacking etc	67	9	76
7	In Mobile Banking there are hidden charges-	27	49	76
8	For Mobile banking services, too much extra charges are applied by bank	15	61	76
	Total	462 (75.98%)	146 (24.01%)	608 (100%)

From the above table it is observed that, 75.98% respondents opined that, they are satisfied with the mobile banking services like discounts/cash back/offers/coupons, easy operation, security, support for all banking transactions, transparent services, less risk of theft, no hidden and less extra charges.

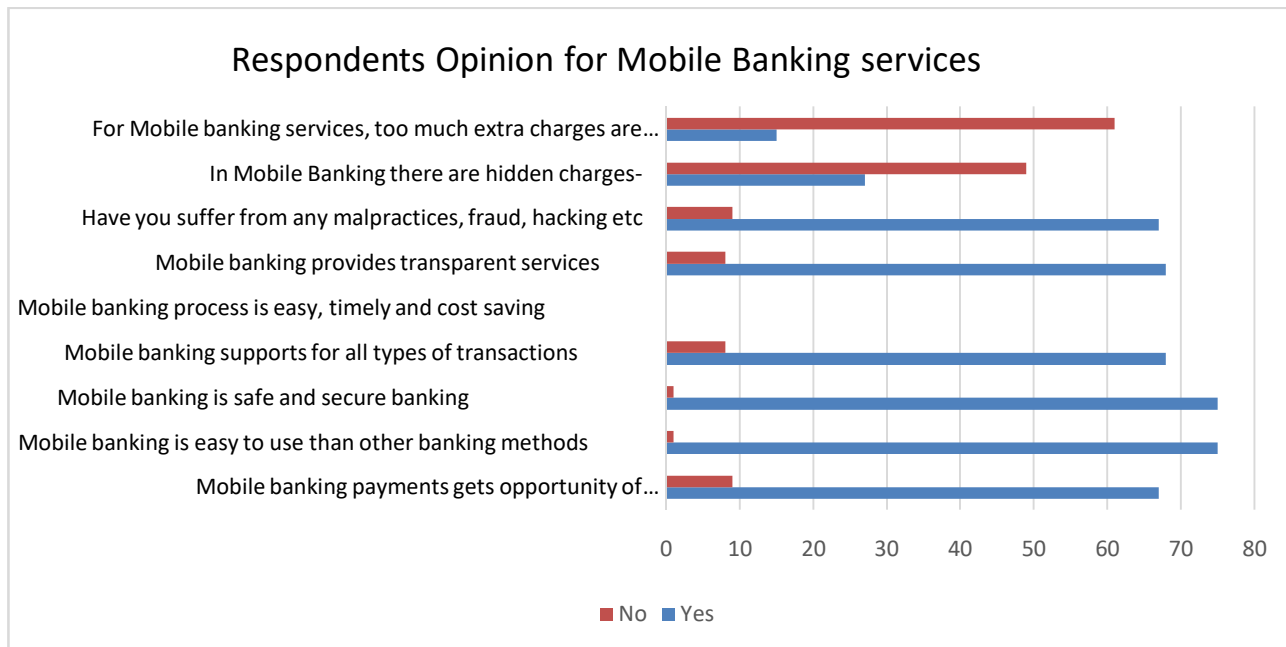


Chart 1.3

5.7 Opinion regarding mobile baking services in COVID-19 pandemics-

Sr.No	Question	Poor	Good	Better	Excellent	Total
1	Accessibility during COVID-19 crisis	2	32	21	21	76
2	Mobile banking services provided by bank	1	40	20	15	76
4	Mobile banking money transfer limit	5	42	24	5	76
5	Your rating for mobile banking services	0	18	34	24	76
	Total	8 (2.63%)	132 (43.42%)	99 (32.56%)	65 (21.38%)	304 (100%)

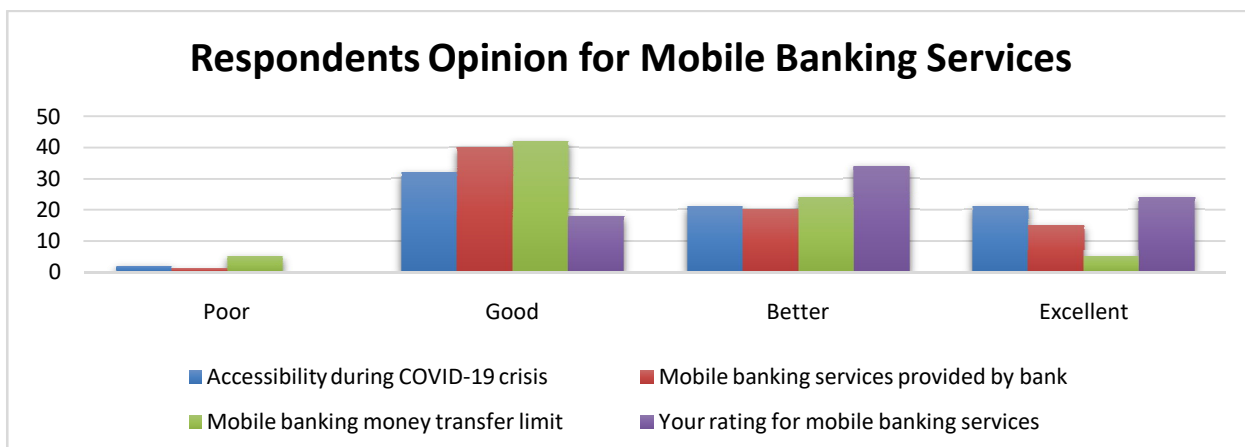


Chart 1.4

From above table it depicts that, 43.42% respondents ensured as “good” service for mobile banking whereas, 32.56% ensured “better” mobile services followed by 21.38 % “excellent” mobile services whereas, 2.63% opined for “poor” services.

From this it is concluded that, respondents are average satisfied with mobile services in COVID-19 pandemics. There for banks need to focus on accessibility i.e. internet services, limit for updating the money transfer using mobile banking services.

6 Limitations:

1. The respondents are majorly from the age group of 20 to 30 years.
2. Online google form is used for collecting opinion of respondents.
3. Respondent’s geographical location is Sangli city, Maharashtra.

7 Future Scope:

1. Anybody can extended this research for different geographical areas.
2. Only Mobile banking services are studied therefore there is wide scope for other e-banking instruments like- interne banking, ATM, specific wallets etc.
3. This study is for limited age group hence there is scope for different users like - employees, businessman, students, senior citizens etc.

8 Conclusion:

It is concluded that, the usage of mobile banking is increasing day-by day. Google pay and Phone pay are the popular wallets. Mobile banking is safe and secure with minimizing cost and maximizing benefits for online transactions. Further internet services and availability somewhere problem because of that there is adverse impact on services. Further extra charges applied for services and annual maintenance charges need to minimize by the bank.

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